1: Longrigg G-4, 5 (ca. 1915-1940) MH1 Iraq MH1

Politics and war-attitude apart, conditions in the territory throughout 1940 were as secure and tolerable as could be hoped. A number of offenders sentenced by the courts martial of previous régimes were liberated, the State of Emergency at al-Rashid camp, in force since March 1939, was brought to an end. Ṣubiḥ Najib was pardoned and released. The Ministry, to whom in some circles the revered Gaylani name was an asset, declared war on immorality, shut places of evil entertainment or drunkenness, and ostentatiously improved Waqf buildings. The foundation stone of the Faysal Mosque was laid. Observance of the Ramadhan fast was enforced by the daytime closing of restaurants. The completion of the Baiji–Mosul section of the railway, with its long tunnel, permitted at last a direct Baghdad–Istanbul service, though rolling stock available for use was of the scantiest. Work at the Ḥabbaniya reservoir was pressed forward. Oil production was normal again since the month-long interruption in September 1939, and both pipelines remained in use until the stoppage of pumping, on the Tripoli branch into Vichy–French territory, in July 1940. The sowings of cotton were much increased, and 25,000 bales produced. The Government tobacco monopoly was brought into effect, to the chagrin of many Kurdish growers whose freedom of disposal it curtailed. Agriculture was everywhere encouraged with a view to full national self-sufficiency, though the disastrous spring floods were a reminder of its precariousness.

Commercial and industrial life strove to maintain normality, or even progress. An ambitious Co-operative Society to produce fruit preserves was founded. The Agricultural and Industrial Bank was busy with loans to cultivators, and with the sale and servicing of agricultural machinery; it advanced money also to a new ginnery at 'Aziziya, took shares in the 'Iraq Cement Company, and helped a vegetable-oil extraction plant. Work proceeded on the Baghdad automatic telephone installation. The budget for 1940–1, which allotted a third of all revenues to the Army, found room for the cost of completing the irrigation work on the Abu Ghurayb, and for the Ḥawija project, the Diyalā weir, the Shamiya river improvement, and the 'bunds' around Baghdad. The credit allowed by the banks and *ṣarrafs* was extended or restricted according to the war news, market prices rose and fell, Government's control in the economic field was discreet and indeed largely inoperative. Shortage of shipping and transport vehicles were a serious hindrance to the export trade, whether conveyed by sea or by the land routes. A Turkish mission visited Baṣra with the hope of securing a southern gateway of entry for their country. The loss of French purchases of 'Iraqi wool was severely felt; trade with Japan on the contrary seemed likely to develop fast.

1: Longrigg G-4, 5 (ca. 1915-1940) MH1 Iraq MH1

241 185 473 The Latifiya was no longer the only large-scale modern estate in operation. The Date Board, which had done much to modernize and stabilize the production and marketing of dates—and not those of the Shaṭṭ al-'Arab only—had wisely retained the system of export monopoly, with suitable amendment of terms and prices, throughout the war and after it, but the three-year extension granted to Andrew Weir & Company in 1950 was likely to be the last; the National Date Trading Company founded in that year would probably assume the functions of the export monopolist. Of the Company's own shares, 49 per cent. were allotted to the Date Association, 26 to the public, and 25 to the foreign packers and exporters.

654 242 185 Government maintained a College of Agriculture with a three-year course and main experimental estates at Abu Ghurayb (for agronomy, animal husbandry, pests, and soils) and at Za'faraniya (for horticulture, fruit, and vegetables), with smaller stations at Bakrajo, Ḥawija, Nineveh, Aski Kellek, and Baṣra, a main forestry station at Arbil, and nurseries in every liwā. Its experts selected, tested, and issued new seed varieties designed for higher yield, quality, and resistance: combated pests, notably by locust campaigns in the technique of which 'Iraq claimed to lead the world: caused the erection of a grain silo at Baghdad, and proposed another and greater at Baṣra, with modern grain storage bins at many centres. The department was in touch with local industry which could use as raw materials 'Iraqi oil-seeds, cotton, dates, barley, beet, wool, and tobacco. It was planning large-scale experiments in estate-management, and seeking crop rotations which would diminish the use of a fallowing system now recognized as intolerably wasteful. It was encouraging the growth of rural co-operative societies under the 1944 law, increasing its departmental Inspectorate, and founding Chambers of Agriculture. It interested itself in rural education and established agricultural schools in every liwā. It was promoting village settlement, in which field the interesting and promising Dujayla smallholding community (p. 323) was extended and perfected, and the foundation of others in the Ḥawija and elsewhere was put in hand. The Development Board allotted in 1951 more than 4 million dinars for the provision, in six years, of artesian wells and drinking-water supplies. The mechanization of agriculture was fostered by a country-wide system of depots and repair shops, administered as a Government monopoly under a special law and a separate Directorate-General; indeed, all the importance of mechanization—even with its serious difficulties of proper maintenance and supply—was appreciated as part of a future 'Iraqi agriculture which with great new areas under controlled irrigation was likely to find not land or water but man-

7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

425 421 The Mission believes that the settlers should, as a matter of general principle, be required to make some payment for the extensive benefits received. This is all the more necessary in order not to widen unduly the disparity between the economic status of the favored settlers and that of the great majority of cultivators who will continue to work under much less favorable conditions. Such payments need not be excessively burdensome, since they could be spread over a number of years.

241 425 [14] The new law will apply on a broad scale the basic principles of the Dujaila land settlement scheme in south-central Iraq. In the period 1946 to 1950, 1,058 farmers were settled there on 100-donum plots allotted from state-owned irrigated land. The Mission was impressed by the results achieved through this scheme. The farmers, who used to be sharecroppers, are conscious of their new-won independence and dignity. By comparison with the fellahin in neighboring areas they appear prosperous and content. [44] Many of them are members of a cooperative—the only one of its kind in Iraq—which owns 10 tractors, two lorries, a flour mill and a club-house. Although the accounts of this cooperative leave much to be desired, its operations are generally along sound lines and indicative of what can be accomplished through state-assisted self-help. The Dujaila scheme is, however, not without defects. Its success as an agricultural venture is jeopardized by the progressive salination of the land because of failure to provide drainage facilities —an omission which should be promptly remedied. The administrative staff appears to be excessively large. Small-scale "landlordism" has crept in, since some farmers have brought in others to do a large part of their work on a sharecropping basis. The farmers were settled in a scattered fashion without regard to the need for community life. Most important, aside from insisting on small fruit gardens, the committee in charge of the project has effected no improvement in farming methods. The Department of Agriculture is not even represented on the committee, and there are no agricultural experts in the project capable of assisting farmers in raising their standards of cultivation. The improved economic position of the cultivators in the Dujaila scheme is almost wholly due to the fact that the farmer there has a larger plot of land and does not need to surrender a share of his output to a landlord. In the

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enabled to obtain sufficient credit to buy seeds, fertilizer, livestock, machinery and other means of production and to make it unnecessary for them to sell their crops immediately after harvest at extremely low prices. The Mission therefore suggests that the Development Board provide sufficient funds to raise the paid-in capital of the Bank to about ID 2,000,000. This should permit the Bank to expand its credit operations and refund its borrowed resources. Action to enable the Bank to increase its lending will be largely ineffective, however, unless at the same time greater care is exercised to insure that loans are promptly repaid and that farmers, who are often improvident, borrow only for purposes which will increase their output. In the past a considerable portion of the Bank's capital has become frozen as the result of repeated extensions of the maturity dates on its loans.

Good storage facilities for grain and perhaps other crops would reduce losses due to infestation, improve the quality of grain, assist in the stabilization of prices and provide some assurance against famine. At present grain is often stored in the open or in inadequate buildings and sheds. A modern 5,000-ton grain elevator has recently been erected in Baghdad, and another of 40,000 tons is projected for Basra to serve the export trade. There is, however, an urgent need for less elaborate and smaller storage facilities throughout the grain-growing areas. These could be of simple concrete or corrugated steel construction and range in capacity from 1,000 to 3,000 tons. Simple cleaning machinery would be desirable in order to remove impurities from the grain. Such storage facilities, which might have a total capacity of about 75,000 tons, would presumably be owned and operated by the Grain Board, an autonomous government agency, and would need to be closely controlled so that the Agricultural Bank could with safety make loans against grain stored in them by farmers and merchants. Under such conditions, more merchants would probably enter the market to bid for grain at harvest time and farmers themselves would not be under the necessity of marketing their grain immediately after the harvest irrespective of the level of prices.

Although an impressive law on cooperatives has been put on the statute books, almost nothing has been done to organize effec-

7: International Bank N, S-4 (1951) 1952 MH1 Iraq MH1

tive cooperatives. As already indicated, the producers' cooperative in the Dujaila project is the only promising venture in this field. The organization of cooperatives is at present entrusted to a department in the Ministry of Economics whose entire staff consists of a part-time director, one assistant and one clerk. About forty cooperatives are now registered with the department, but most of these are apparently inoperative and all but one are consumers' cooperatives for which there seems to be less need. The Mission urges that in the future efforts be concentrated on the organization of agricultural cooperatives and that therefore the responsibility for cooperatives be transferred to the Department of Agriculture. Such cooperatives can become an important means of self-help and saving by farmers. Gradually they may become an important vehicle for the extension of credit to small farmers by the Agricultural Bank.

Undoubtedly progress in inculcating farmers with the necessary cooperative spirit and a knowledge of the benefits of cooperation will be slow. Strong guidance and control will need to be provided initially by the government, and the cooperatives will have to be held to strict accountability in the use of their assets. Yet the experience with the Dujaila cooperative and, to some extent, with cooperatives in other Moslem countries, such as Egypt, indicates that beneficial results can be achieved by persistent, well-directed efforts. Cooperatives for the purchase and distribution of seeds, fertilizer and other tools of production and for the joint ownership and operation of machinery should be made an integral part of the new settlement schemes. While primary emphasis should be put on this task, efforts should also be made to organize cooperatives on a small, experimental scale among existing sharecroppers. Such cooperatives, assisted by the Agricultural Bank, might confine themselves initially to relatively modest operations such as the provision of seed and simple tools. Success in this field will depend on the existence of a small cadre of enthusiastic government officials properly trained in the organization and operation of cooperatives. It is therefore suggested that the government take prompt steps to have a number of such officials trained in a country like Cyprus where a well-developed cooperative movement exists.

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machinery. At the same time the cost of new machinery and equipment will need to be financed—possibly out of Development Board funds if earlier plans to borrow for this purpose from the International Bank do not materialize.

Government rental of machinery should at best be considered a temporary expedient. It is wasteful, primarily because overhead expenses are high. The transportation of machinery from central shops to the renters tends to be expensive and to expose the machinery to excessive wear and tear. Private and cooperative ownership of machinery should therefore be encouraged. One step in this direction would be to enable the Agricultural Bank to lend money for this purpose on the security of the machinery. In the past the absence of any provision for registering title to such machinery has prevented such loans. Another important measure would be to encourage the establishment of cooperatives for the collective ownership of machinery, especially in the new agricultural areas which are to be opened. At present the producers' cooperative in the Dujaila project owns a number of tractors. Because overhead costs are relatively low it is able to rent them out at lower rate than the AMA while still apparently covering the cost of operation and depreciation.

V. Control of Pests and Diseases

Livestock Pests and Mortality

More effective control of pests and diseases would also materially help to improve yields. This is particularly true of livestock. Because of lack of funds, equipment and trained personnel, no systematic campaigns for eradicating specific groups of diseases have been undertaken. Many livestock diseases, particularly of the parasitic type, are rife. Among the principal livestock diseases are foot and mouth disease; haemorrhagic septicaemia; anthrax; sheep pox; blackleg; parasitic gastritis; tick-borne diseases (anaplasmosis and piroplasmosis); fowl cholera; Newcastle disease; various manges; and dourine. The available staff is wholly insufficient to control, let alone eradicate, any epidemic which might break out. A serious outbreak of disease would endanger the livestock industry of neighboring countries as well as that of Iraq.

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X. Cooperatives

Cooperatives have unfortunately made little progress. There is an impressive law on cooperatives which provides, among other things, for their registration and the auditing of their accounts by the government. The government also received an excellent report on cooperative possibilities made by an expert in 1947. Neither the law nor the report have really been implemented. Responsibility for cooperatives is now vested in a Department of Cooperatives within the Ministry of Economics. Its entire staff consists of one part-time director, another officer and a clerk. By May 1951 it had registered 40 cooperatives of which all but one were consumers' cooperatives. Apparently nearly all of these are either dormant or of small importance. The Department has obviously been unable to give constructive, practical assistance in the organization and operation of cooperatives or even to take the initial step of sending some people abroad for training in cooperative management. It has neither received nor audited the financial accounts of any of the existing cooperatives.

The only really worthwhile cooperative in existence appears to be the producers' cooperative in the Dujaila project where over 1,000 small-holders were settled at government expense. This cooperative, which was formed in 1947, owned in the spring of 1951 ten tractors with tillers, two trucks, a small flour mill and a clubhouse. The cooperative rents the tractors at a reasonable rate to its members and at a higher rate to nonmembers. Operation of the flour mill is contracted out under an arrangement which fixes the milling charges. The trucks provide transport for men and goods both within the settlement and to the nearby town of Kut. Although its accounts leave much to be desired, the cooperative appears to be in a sound financial condition. (See Note 13 on following page.) It needs expert advice, however, on the proper methods of setting up its books and controlling its expenditures, and its accounts should be subject periodically to an independent audit. A consumers' cooperative also operates in the Dujaila project, but it aparently runs at a loss owing to high selling expenses and low turnover. It would be advisable either to dis-

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474 continue it entirely or at least to replace its existing three shops with a mobile store which might sell more at lower cost in this scattered settlement.

The experience with the Dujaila producers' cooperative indicates that useful results can be obtained. Under existing conditions cooperatives will not, however, be organized spontaneously by the farmers themselves. They will need the impetus, assistance and supervision of the government. The cooperative is a rather advanced form of social organization and can therefore be expected to develop only at a slow rate. The necessary spirit of cooperation and sense of collective responsibility will have to be carefully nurtured in any program of adult education sponsored by the Ministry of Education and in any educational programs carried out by the proposed agricultural extension service.

The first step should be to transfer responsibility for cooperatives to the Department of Agriculture. It would be well to concentrate entirely on rural cooperatives for these are most urgently needed. The next step would be to recruit and train personnel. The staff need not be large initially, but should be sufficient to permit considerable field work. It should consist of people genuinely interested in cooperatives and preferably drawn from rural backgrounds. It must include one or two accountants equipped to draw up a standardized system of bookkeeping to be

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[13] The cooperative has not drawn up a balance sheet of its assets and liabilities. Nevertheless, it is possible to conclude from data made available by the Dujaila Committee in Baghdad that the cooperative has apparently not operated at a loss. From February 1, 1950 to April 20, 1951, its current revenues amounted to ID 6,024.991 and its current operating expenditures on salaries, wages fuel, and sundries to ID 3,955.695, so that the operating account showed a surplus of ID 2,069.296 which could be reinvested. A provisional balance sheet as of April 1951 could be struck about as follows:

Assets		Liabilities	
Property (at cost)	ID 14,055.734	Capital paid-in	ID 8,207.066
Accounts receivable	856.052	Debts owed	2,128.000
Cash (approximate)	260.000	Depreciation (balance)	4,836.720
Total	ID 15,171.786	Total	ID 15,171.786

The depreciation allowance made above represents the difference between the known assets and liabilities. This amount corresponds in fact closely to an allowance of around ID 5,000 which should be allowed on the basis of sound accounting practice to cover actual depreciation on the various items in the capital inventory (20 percent annually on tractors and lorries; 10 percent on mill equipment and buildings).

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followed by cooperatives and to audit the accounts of cooperatives. The necessary staff will have to be trained abroad, preferably in Cyprus where a diversified cooperative movement flourishes. It will also be desirable to give some instruction in cooperatives in the teachers' training colleges and the agricultural schools.

One of the logical places to start with the organization of cooperatives would be in new agricultural settlements as was done in fact in the Dujaila project. People who start afresh in a new settlement will generally be more receptive to new forms of organization. In these new settlements cooperative ownership of tools and machinery will probably be most important. Care must be taken not to overburden the cooperative with too many activities at the beginning. Operations should be expanded only as experience is acquired.

As already indicated, the need of the fellah who continues to farm on a sharecropping basis is the most urgent. He cannot therefore be neglected in the effort to establish cooperatives even though his poverty and his relations to his landlord may make the organization of cooperatives particularly difficult. Among those fellahin, one might begin with the organization of credit cooperatives which would make loans not on the security of the borrower's possessions but on his reputation for work, honesty and thrift. In this way the fellah might be able to obtain credit on more reasonable terms for the purchase of tools, seeds, animals and other requisites. Initially such credit cooperatives would probably need to be financed almost entirely by the Agricultural Bank, but the objective should be to base their operations increasingly on the regular savings of their members.

XI. Storage Facilities and Credit

Farmers are also in need of adequate facilities in which they can store their produce and obtain credit against warehouse receipts. At present, prices tend to dip sharply at harvest time because the farmer is generally compelled to sell his crop immediately after or even before harvest in order to obtain needed cash. The merchants with money then reap the benefit of subsequent price advances. More storage and credit facilities would enable